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ABSTRACT

A study was done to assist the U.S. Office of Education in ascertaining whether there is the need and desire for mayor and city involvement in the area of consumer education and to assist the U.S. Conference of Mayors (USCM) in determining whether or not its role in the promotion and establishment of priorities for consumer education for cities will be one of action. Site visits consisting of interviews with the mayors, their staff, and other city officials were made to four cities. Several common themes were identified: (1) the need for financial support, (2) the need for an information and technical assistance clearinghouse, (3) the desirability of a comprehensive program in the schools, (4) the need for a program of instructing consumer education teachers, and (5) the desire to expand the already existing consumer education efforts. Five recommendations were made: (1) A local office of consumer education must be under the mayor's jurisdiction, (2) there must be adequate funding, (3) there must be one centralized clearinghouse providing access to information and technical assistance, (4) consumer education program content must not be limited to one or two target groups, and (5) federal and state legislation must address the local need for effective consumer education efforts. (The Education Amendments of 1972 and 1974 and the position statements of two mayors are appended.) (EM)

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LOCAL INITIATIVES IN CONSUMER EDUCATION:

THE ROLE OF MAYORS AND THEIR CITIES

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I. INTRODUCTION

The Elementary and Secondary Education Act of 1965, as amended by the Education Amendments of 1972 and 1974 (PL 92-318 and PL 93-380, respectively, 20 U.S.C. 88 7d) authorized the offering of consumers' education to students and the general public through project categorical grants. (See Appendix A) It was not until FY 1976 that the Congress appropriated funds for this program, and even then only $3.1 million was made available (3 1/3% of the total appropriation under the Special Projects Act, to which the enabling legislation had been appended for administrative purposes). FY 1977 saw the same amount of money appropriated; a proposed cut for FY 1978 was reinstated in the Carter amendments to that budget. Thus, the appropriation for the Office of Consumers' Education, Office of Education, remained the same during its first three years of operation - and that level can not begin to touch the tip of the iceberg of consumer education needs.

The purpose of the U.S. Conference of Mayor's (hereon referred to as USCM) survey is two-fold: 1) to assist the U.S. Office of Education in ascertaining whether there is the need and desire for mayor and city involvement in the area of consumer education, and if it can expect local governments' full cooperation in participating in this "movement"; and 2) to assist USCM in determining whether or not its role in the promotion and establishment of priorities for consumer education for cities will be one of "action".

After speaking with 22 mayors and visiting four cities, USCM is convinced that consumer education is an area which warrants far more attention than it has received in the past. In each city visited, we found a keen and growing desire on the part of mayors and staff to become more active in the area of consumer education. However, there exists a general consensus that because of current fiscal restraints and the lack of interest on the part of the Federal government to assist them, cities were not as actively involved in this area as they would like to be.

USCM believes that in order to validate any findings, it is necessary to look at cities of different sizes and geographic locations. Because of the limitations of the contract (time and funds allocated), we chose only one small (pop. 50,000) and one large city (pop. 500,000) that were not within close proximity to each other.

However, realizing the restrictions of surveying only two cities, we found it necessary to conduct on-site interviews in two other cities of comparable size and geographic diversity.

The primary large city is New Orleans, Louisiana, where the Mayor's consumer education program is sophisticated and comprehensive. The primary small city is York, Pennsylvania, where there is an eagerness to implement consumer education activities, which, because of a lack of funds and geographic boundaries, is limited to a 24-hour "hot-line" service. Mayors Moon Landrieu and John D. Krout, respectively, discussed with us, in depth, their perceptions of their roles and that of their cities in consumer education. From this information, we were able to prepare two independent position statements. (See Appendix B)

USCM's two comparable cities are Denver, Colorado, where consumer-related activities are currently located in the Denver Commission on Community Relations, and the District Attorney's Office; and Yakima, Washington, where we found a good many informal consumer protection programs underway.

At the December, 1976, Mayor's Leadership Institute Seminar in New Orleans (a three-day training session for mayors), consumer education was discussed and questionnaires were completed. The results of that meeting were measured against our findings in the four cities and greatly assisted us in formulating our conclusions and recommendations.

II. METHODOLOGY

After discussing the project with several mayors, USCM was convinced that these city officials were very interested in playing more active roles in consumer education than they had played in the past. Although the scope and needs vary from city to city, there is no question that mayors are moving in the direction of trying to "educate the consumer."

USCM's investigation began by surveying all available consumer education information, and more specifically, that information pertaining to cities. Unfortunately, at its very best, such data is limited. It is USCM's opinion that this limitation reveals a substantial need for further exploration in this area.

When USCM finally selected its two "primary" and two "secondary" cities on the basis of size, geographic location and existing consumer education activity, city profiles were prepared for each locality. This information assisted us in gaining better insight into each area's special needs.

The site visits consisted of in-depth interviews with the mayors, their staff members, and other appropriate city officials in each of the cities. Besides meeting and speaking with local officials and staff, USCM was given the opportunity to witness precisely what type of consumer education efforts were currently underway and/or proposed. A questionnaire we devised was used as a guide. Extensive notes were taken and tape recordings were made of every interview.

On December 15, 1976, the Mayors' Leadership Institute Seminar in New Orleans, Louisiana, twenty-two mayors were asked about their roles in the field of consumer education. Our findings indicated that consumer education is considered by more than half to be a priority issue, and one in which direct participation is desired. (See Appendix C)

From the total cooperation we experienced in each city visited, USCM concluded that this cooperation reflected each city's interest in learning 1) how it could obtain funds, technical assistance and information for implementing a comprehensive consumer education program in the mayor's office, or expanding existing ones, and 2) more about consumer education activities in cities across the country--a concern which we encountered consistently.

III. FINDINGS

A. YORK, PENNSYLVANIA

Government Structure and Unique Characteristics

The City of York, Pennsylvania (5.5 square miles) is located in York County in the south central part of Pennsylvania. It is 55 miles west of Baltimore, Maryland, and 22 miles south of Harrisburg, Pennsylvania. With a population of 50,300, 18% of the people are non-white and 20% are over the age of 60 years. Ten percent of the families in York City are below the poverty level ($3,745 for a family of four). The principal economic activity and main source of employment in York City is manufacturing, with retail trade in second place. York is administered by a Mayor-Council form of government with the Mayor, The Honorable John D. Krout, presiding over a 5-member City Council. The mayor can serve an unlimited number of terms for a period of four years each.* The consumer education and related activities in York City are located directly in the mayor's office.

On-going Consumer Education Activities

Besides interviewing Mayor John D. Krout, USCM spoke with Mr. Bill Adams, Business Administrator, Mr. Lynn Kraft, Administrative Aide to the Mayor, and Ms. Dolores Riese, Assistant in charge of the mayor's HOT LINE service. Each expressed a considerable interest in the further development of a consumer education program for the residents of York.

The main consumer activity in York is the HOT LINE service, funded by the City's general fund ($15,000 per year). Basically, it operates as a referral service whereby consumers are referred to appropriate county agencies for direct assistance. One full-time person, Ms. Dolores Riese, handles all the calls. She meets weekly with Mayor Krout to keep him informed of any complaint trends or rash of common problems. Often the HOT

*Information derived from the City of York's Overall Economic Development Plan, 1976-77.

LINE has acted as an arbitrator by aiding the consumer and the merchant in reaching an agreement.

According to those with whom we spoke, York County, in which the city is located, also is involved in consumer-related activities. However, it appears that the only broad-based effort is the publication of a newsletter which, like the city's service, refers consumers to various agencies for help. City officials contend that if York implemented a more comprehensive program, many county residents who do not pay city taxes nor contribute to city resources would be serviced.

Local Recommendations

There is a general consensus in York that there is the need to implement a comprehensive consumer education program at the elementary and secondary school levels. However, because of the city's size, a cooperative program must be worked out, whereby both county and city residents would benefit from and contribute to a consumer education program.

More importantly, the principal barrier preventing York from becoming more involved in consumer education appears to be a lack of funds. Once funds become available, the city and county could approach this issue more realistically. Mayor Krout feels that the Federal government should be an active provider of "seed" money--money for innovative and demonstration or "model" programs as well as technical assistance. He believes that states should be able to assist in the overall maintenance of such programs if such programs prove to be effective. In essence, there is a role for each of the three levels of government--roles that operate in concert with one another. As Mayor Krout indicated, if York is to compete for these dollars, "it must be with cities of comparable size." Although the problems in Philadelphia and Pittsburgh are more pronounced, they, nevertheless, do not lessen York's need for addressing the issue adequately. The Mayor suggested that one way of dealing with this problem would be for the state to set up a single-state agency (SSA) which must funnel the funds to the localities in that state. Such a situation would allow cities to compete only on an intra-state basis.

In York, USCM found a widespread feeling that increased town meetings and expanded use of media (newspapers, tele-

vision and radio) would further the cause of consumer education. Most agreed that the information must be brought to those who are unable to seek it or who are uninformed of their rights as consumers--the elderly, poor, and young adult residents.

B. NEW ORLEANS, LOUISIANA

Government Structure and Unique Characteristics

The City of New Orleans, Louisiana (197.1 square miles) is located in the Parish of New Orleans on the Mississippi River, 100 miles above the River's mouth. It has a total population of 593,000 with 45.5% non-white residents and 10.6% over the age of 65 years. Approximately sixteen percent of the families in New Orleans are below the poverty line ($3,745 for a family of four). New Orleans' major economic activity is light manufacturing, i.e. clothing, adhesives, aluminum, lumber, cotton, and dairy products. It is governed by a Mayor-Council form of government with the elected mayor, the Honorable Moon Landrieu, serving a maximum of two four-year terms, and presiding over a seven-member City Council.* The many consumer education and related activities in the City of New Orleans are located directly in the mayor's office.

On-going Consumer Education Activities

Although Mayor Moon Landrieu pointed out that "we discovered, somewhat belatedly, the very significant need for educating the consumer," New Orleans' impressive Office of Consumer Affairs leads USCM to believe that the Mayor and his staff have been concerned with this area a good deal longer than have most. The Mayor believes that because government has not had a very successful record in the area of consumer education, there is a need in every mayor's office for a place where the consumer can go for information. His philosophy is that such a program located in the mayor's office would keep professional and commercial organizations alert and prevent them from becoming a "fraternity of mutual need." Moreover, the mayor's office has the leverage to bring a modest amount of pressure to bear on the "guilty" party while educating both parties in the process. New Orleans' consumer affairs program in the mayor's office strives to be fair to the producer as well as the consumer without political motivation or a "personal axe to grind." The successful consumer

*Information derived from 1970 census, U.S.Bureau of Census.

education activities administered by the Office of Consumer Education that USCM witnessed in New Orleans certainly is reflective of Mayor Landrieu's overriding concern for this area.

Under the able direction of Ms. Nell Weekley and with an operating budget of $98,000 a year, the Mayor's Office of Consumer Education has 14 full-time staff members along with five volunteers and a student intern (consumer educator, librarian, and mediator assistants). The Office's activities are many and varied. They include program development, guidance, counseling, radio and TV spots, public speaking, lecturing, referrals, and formal classroom teaching. It is worth noting that there is a regular distribution schedule for the TV and radio spots, and weekly newspaper coverage. These creative, innovative, and simply entertaining television public service spots were produced in conjunction with the Drama Department of the University of New Orleans. We were given the opportunity to view some of them, and we were delighted and much impressed by what we saw.

In addition, Ms. Weekley publishes a regular newsletter called, "ConsumerGram." She also conducts joint consumer education projects and seminars with New Orleans' labor organizations, industry, public and private schools, adult education programs, business and community action programs, and universities. Her main thrust in these presentations is in the areas of credit, health care, insurance, fraud, inflation, food buying, energy, contracts, rent, and product quality performance. Special emphasis is directed at the handicapped, the Spanish-speaking, the elderly, and low-income groups.

Unlike the other cities in our survey, this office maintains continual contact with other Louisiana consumer affairs offices through the local New Orleans Area Consumer Protection Task Force, and the Governor's Consumer Advisory Board on which Ms. Weekley serves. On the Federal level, it maintains regular contact with Federal regulatory agencies (Food and Drug Administration, Federal Trade Commission, U.S. Departments of Agriculture, and Transportation, and the Consumer Product Safety Commission).

Local Recommendations

Both Mayor Landrieu and Ms. Weekley felt that all three levels of government should assume the fiscal

responsibility of a local consumer education office. Federal funds should be available to educate consumers about the protection afforded by Federal legislation, and to pursue federally established consumer education priorities. The state must bear the primary function of mandating and assuming the cost of curriculum development and effective consumer education in schools since, as Mayor Landrieu accurately noted, "our schools historically have been the State's responsibility." Substantial funding from these two sources to accomplish specific consumer education goals would ease the burden considerably for the local governments. The Mayor indicated that the local level could be responsible for matching money and funds for any gaps not addressed by Federal and State dollars. It could also provide the personnel for the consumer education office.

Mayor Landrieu and Ms. Weekley then speculated about the future thrusts for consumer education. They saw the need for 1) improving competence in dealing in the marketplace; 2) establishing individual goals and priorities (a value system) for the use of financial resources; 3) monitoring a fair and competitive marketplace offering a choice of consumer goods and services and reflecting a reasonable relationship between price and value; 4) gathering adequate information on which to base all consumer decisions; and 5) providing for the prompt redress of legitimate grievances.

Unless there is available information, local governments will be unable to help consumers or to play their multi-faceted role successfully. Both the Mayor and Ms. Weekley emphasized the strong need for a central clearinghouse to which cities all across the nation could go for information and technical assistance. One of the chief purposes of such a clearinghouse would be to encourage city governments to become more active participants in educating their constituencies in consumerism. This is a field, Mayor Landrieu said, that has been too long ignored.

C. YAKIMA, WASHINGTON

Government Structure and Unique Characteristics

The City of Yakima, Washington (11.4 square miles) is located in Yakima County, in Central Washington, east of the Cascade Mountains. It is 142 miles southeast of Seattle and 200 miles southwest of Spokane. It has a population of 49,100 people: 4.2% are non-white and 14.6% are over the age of 65 years. Twelve percent of the families in Yakima City are below the poverty level ($3,745 for family of four). The primary economic activity in Yakima County is manufacturing and agricultural related, i.e., fruit, grain, vegetables, livestock, paper, lumber, and clothing. Yakima adheres to a Council-Manager form of government. There are seven council members including a biennially-appointed mayor who is, currently, The Honorable Betty Edmondson.* The consumer education activities in Yakima are located principally within the city's Department of Community Development, the Yakima Valley Better Business Bureau, and the Consumers Credit Counseling Service.

On-going Consumer Education Activities

Though lacking a central agency for consumer education in Yakima, Washington, USCM found there were many on-going consumer-related activities servicing the residents. Mayor Betty Edmondson is very much interested in implementing a comprehensive "formal" consumer education program in her city.

In addition to the Mayor, we also met with Mr. Richard Zais, Jr., Acting City Manager, Mr. Frederick Stouder, Director of Yakima's Community Development Department, and Ms. Mary Gustafson, Yakima's Community Relations Officer. To a significant extent, these people actively participate in consumer education activities.

According to Mayor Edmondson, the low-income groups and under-educated are in most need of consumer education. In light of these needs, Yakima developed a housing resource

*Information derived from 1970 census, U.S.Bureau of Census.

center within its Community Development Division (funded for two years by the Community Development Block Grant). The Center's activities include providing guidance on tenant/landlord relations, counseling, and home ownership and repairs, for example.

Presently, there exists no coordinated consumer effort between the Yakima school system and the Mayor's office. However, the Yakima Valley Better Business Bureau and the Consumer Credit Council perform this function from time to time. (See below). An admirable project undertaken by the A.C. Davis Senior High School is the Yakima People's Yellow Pages, an informative, convenient, and attractively laid out directory intended to make Yakima residents aware of available low-cost and free services. It informs people of their rights as Yakima residents, and puts them "in touch with one another so that they may work together towards their common goals". The Yakima People's Yellow Pages serves as an example of an effective project with a dual purpose:

1) keeping Yakima residents informed,and

2) affording high school students the opportunity to work in a cooperative effort to serve their community.

Each month Mr. Stouder publishes a newsletter covering topics such as property taxes, housing legislation, senior citizen activities, and shopping tips. A consumer education information column would fit in quite nicely. Mr. Stouder currently has one staff member, with another expected shortly, who will be responsible for consumer counseling as it relates specifically to housing. In fact, Yakima's Community Development Department is the only one in "the Valley" that offers such a service.

The Yakima Valley Better Business Bureau, a private organization, also plays a key role in consumer education services. Its manager, Mr. Bill Stone, organizes consumer-related talks with various service groups and in formal classrooms. The Bureau also sponsors a "Buyer Beware" column, written by Bill Stone, in the local newspaper, The Herald-Republic. Furthermore, it sponsors television and radio spots, and purchases appropriate films.

A recently organized group, the Consumer Credit Counseling Service, includes in its membership the Mayor,

attorneys, CPA's, department store merchants, bankers, Yakima's credit company, the Pacific Power and Light Company, and the Anesthesiologists Association. The Counseling Service's activities include lectures on the legal aspects of consumerism, e.g. bad checks, door-to-door selling, and bait-and-switch advertising.

Local Recommendations

Mayor Edmondson indicated that she would like to see an office of consumer education "spin off" from the Housing Resource Center. Noting that since the city has the responsibility to insure the rights of its residents, and because everyone needs consumer education and credit counseling, the Mayor felt that an office would take care of the vast majority of the people in Yakima.

It is in the Community Development Department that Mayor Edmondson would place an Office of Consumer Education. Mr. Stouder, Director of Community Development, noted that there is both conceptual and administrative links between community development or human resource planning and consumer education. Consumer education efforts should be directed towards all categories of consumers. The problem, in his view, is not just limited to how to buy groceries, rather it is how consumerism operates in a complex society.

Mr. Stouder indicated that if consumer education funds were available, his department first would identify those persons who are already involved in consumer education, and conduct frequent workshops to find out what the "professionals" are doing. Second, he would assess the overall needs in meetings with elected officials, community leaders and concerned consumers. Feedback from these sessions would help him plan and implement an effective consumer education program.

Like York, Pennsylvania, the principal barrier blocking the development of an active centralized consumer education office in Yakima is a lack of funding. Mayor Edmondson indicated that initial "seed" money should be derived from the Federal government. However, she felt that continued funding should be absorbed by a local "match" as much as possible. Obviously, these matching dollars could fall under Yakima's

Community Development Block Grant share. In this way, Yakima officials and residents would be obligated to assume responsibility for the program. The Mayor also felt that the city should be the coordinator between the private and public sectors by acting as a referral, counseling, and information agent.

In addition to local matching money, the Mayor believed that the State should assume a part of the fiscal burden. She also stressed the important role of the State legislature to help protect the consumer. In the State of Washington, stringent consumer protection laws have been enacted regarding trade, street vendors, and licenses for auction, etc. However, the State role should not be limited to making laws and providing partial funding. The Mayor believes the State should also be responsible for providing needed information in the form of films, pamphlets, newsletters and booklets.

If funds were available, Yakima officials would like to see three things happen: 1) update ordinances for consumer protection and unfair trade practices; 2) implement a consumer education entity within Yakima's Housing Resource Center, and 3) implement a formal consumer education program in the Public Schools.

Mayor Edmondson, Ms. Gustafson and Mr. Stouder all believed that it would be extremely helpful for them to know what cities across the nation are doing about consumer education. They felt that they could learn and benefit from their sister cities and would like to share Yakima's experiences with them as well. Unfortunately, no updated central source for this information exists.

Mayor Edmondson concluded the interview by stating that "we're consumers all our lives. And there are so many ongoing programs where, in some phase, consumer education can be easily incorporated. If such activity could be coordinated, it could have a great positive impact on the entire Valley."

D. DENVER, COLORADO

Government Structure and Unique Characteristics

The City of Denver, Colorado (95.2 square miles) is located in Denver County in the center of the State on the east side of the Rockies. It has a total population of 514,600 with 11% non-white and 11.4% over the age of 65 years. Nine and one-half (9½) percent of the families in Denver are below the poverty line (3,745 for a family of four). The principal economic activities in Denver are meat and food processing, oil refining, and light manufacturing, i.e. clothing, rubber, and luggage. The City of Denver is governed under the Mayor-Council form of government with the elected Mayor, the Honorable William H. McNichols, serving an unlimited number of terms, and presiding over a thirteen-member City Council.* The consumer education activities in Denver are located within the Denver Commission on Community Relations and the District Attorney's Office.**

On-going Consumer Education Activities

The consumer efforts in Denver are not located exclusively in the mayor's office. USCM found it necessary to speak not only with Mayor William H. McNichols, Jr., and his assistant, Mr. Ed Kelley, but also with Mr. Minoru Yasui, the Executive Director of the Denver Commission on Community Relations, Ms. Janet Pirkey, the Commission's Fixed Income Project Coordinator, and Ms. Felicia Muftic of the Metro-Denver Consumer Affairs Office which is under the jurisdiction of the District Attorney.

Although consumer education and related activities do not fall under the direct jurisdiction of the Mayor's Office, Mayor McNichols' administration does play a significant role in the funding of such efforts in the Denver community. The one-year-old Office of Community Complaints handles any and all citizen problems that are phoned in. A daily log is kept so that at the end of each month, the Mayor and his staff can identify common

*Information derived from 1970 Census, U.S. Bureau of Census.

**The Denver Community College also does some work in consumer education, providing information on health care and savings to area residents.

and/or recurring complaints. This information assists the Mayor in becoming more aware of the specific needs of his constituency, and better enables him to address them effectively.

City funds amounting to approximately $400,000 in addition to a $20,500 grant from ACTION, fund the Denver Commission on Community Relations, a body of 15 volunteer commissioners appointed by the Mayor. Under the supervision of Ms. Janet Pirkey, the Commission has a number of consumer activities currently underway. And due to the economic crunch in Denver, there are approximately 70,000 senior citizens, underemployed, low-income, disabled, and retired residents who need consumer education assistance.

Initially, orientation meetings for directors of public service programs (welfare, food stamps, etc.) were conducted in the high-rise buildings which house a good many of the needy. Ms. Pirkey indicated that this was an attempt to offer a type of "Sesame Street" program--a simple and direct effort to help these Denver residents help themselves. Visual aids, lectures, and counseling were provided at these meetings.

In addition, the Commission prepares and disseminates a number of impressive consumer education related pamphlets, booklets, and fact-sheets which greatly assist those Denver residents on fixed incomes.

The Denver County District Attorney's Consumer Office is deeply involved in consumer protection activities. It was established in 1973 to "handle and investigate consumer complaints and to prosecute economic crime in Denver county." Under the direction of Ms. Felicia Muftic, the staff handles consumer-related matters (i.e. consumer law, credit materials, reference plans, etc.) Ms. Muftic indicated that her program concentrates largely on consumer law--consumer rights, responsibility, and redress. Funded primarily by a $218,000 grant from the Law Enforcement Assistance Administration of the Justice Department, the Office has variety of measures at its disposal, such as investigatory powers, referrals, and the filing of criminal charges.

According to the 1975 year-end report, the DA's Consumer Office has experienced a large increase in the number of cases it received. Ms. Muftic noted that

between March 1, 1974 and December 31, 1974, the Office received an average of 450 complaints per month. During that same 10-month period in 1975, the Office received 640 cases. In 1975, the DA's Consumer Office handled 7,564 complaints, and received an average of 100 telephone calls a day. Ms. Muftic stated that her office makes consumers aware of the DA's Office by "making news--hard news as opposed to panels and discussions." She further noted that her office makes use of TV and radio through public service spot announcements and public speaking situations.

Although the DA's Office recently received from the Office of Education a $16,500 grant to train 30 high school teachers, and recently acquired an extensive collection of consumer-related materials, its function, as far as USCM has been able to ascertain, is one of enforcement and investigatory activities often carried out in conjunction with the Colorado Attorney General's Office. Ms. Muftic stated that the DA's Office is not a consumer education project per se. It is, basically, a "criminal complaints handling office." However, Ms. Muftic did discuss joint projects between the DA's Office and the area's public schools. Informally, she invites various community agencies and social agencies for training sessions.

Local Recommendations

Mayor McNichols believes that it is of the utmost importance to stress the preventive aspects of consumerism through education, and feels that a good place to begin is in the school system. Moreover, Mr. Yasui, Mayor McNichols, and Ms. Pirkey would like to see the Commission expand by broadening its scope to deal with a full range of consumer education activities. It was clear to USCM that the Commission has the capacity to do so; unfortunately, the funds are not available.

Ms. Pirkey indicated that the need to know what other cities are doing in the consumer education area is apparent. She stressed the importance of learning from and sharing with other similar organizations across the country by maintaining an ongoing and ever-expanding consumer education program.

Ms. Muftic indicated that although her office did cooperate with some of the "seniors" programs in the

City, and did help set up a program for Denver's Black residents, it did not have formal programs addressing the specific needs of minority groups and young adults.

While almost all Denver officials with whom we spoke expressed their preference that consumer education funding should come from the local level, they realized this was an "impossible dream" due to the fiscal crisis facing the cities. Consequently, Mayor McNichols and other Denver officials believe it should come from the Federal level initially in order to help them get started. Ms. Muftic, at the DA's Office, felt that the Federal level should be a funding source, but not a program innovator. Each believed that the State should have a role as financial supporter as well as an information disseminator.

There was general consensus that a clearinghouse for information specifically geared to addressing the needs of cities would be invaluable.

E. COMMON THREADS

Throughout the site visit period, USCM uncovered several common themes among the four cities. These are: 1) the need for financial support; 2) the need for an information and technical assistance clearinghouse; 3) the desirability of a comprehensive program in the schools; 4) the need for a program of instructing consumer education teachers; and 5) the desire to expand the already existing consumer education efforts.

Lack of financial assistance seemed to be the primary reason why the cities are not involved as much as they would like to be in consumer education activities. All with whom USCM spoke believed that each of the three levels of government should be active fiscal participants. There seemed to be a general consensus that the Federal government should provide seed money for experimention and innovation. If the projects prove effective and successful, a cooperative arrangement could be worked out whereby the local government would provide a match to augment the Federal share. They agreed that the State should assist in providing the funds for the maintenance of ongoing programs. The State should focus its efforts on legislative initiatives, public school curriculum reform, providing needed information, and assuring an equitable intra-state distribution of funds. All agreed that the local level should be responsible for administering a consumer education program that reaches each and every consumer.

A recognition of the need for improving the availability of information as well as the quality of existing information led the mayors and their staffs to stress the desire for direct access to a centralized clearinghouse which would deal effectively and efficiently with their own specific requirements as mayors and cities. Moreover, a clearinghouse would keep them abreast of the consumer education activities underway in other cities. This service is essential if cities are to help and learn from one another and stay well-informed about recent developments and changes in the entire area of consumer education.

Although education, per se, need not be confined to formal classroom instruction, all of our mayors believed that a comprehensive consumer education program must be implemented in the school system. In this way, children,

at a very early age, would learn about their rights as consumers and, hopefully, impart this knowledge to their parents. If children are to be effectively educated, it follows that there has to be a program of instruction for teachers before they can begin to teach our children.

Although consumer activities varied from York, Pennsylvania's HOT LINE to New Orleans' extensive and comprehensive consumer education program, each official interviewed expressed the strong desire to 1) expand ongoing services in order to reach more people, 2) become more creative and innovative with the resources at hand, and 3) learn from sister cities. Such a community of interests among cities further strengthens the need for national involvement in this neglected field.

IV. RECOMMENDATIONS

There is little question that consumer education is an area of growing and significant interest to our Nation's mayors and cities. The USCM would like to see cities increase their participation in this relatively new area and develop programs which address the mayor's role as the policy and management innovator for a comprehensive consumer education effort.

As the representative arm for mayors and cities, USCM must be sensitive to the fiscal difficulties facing each level of government. Therefore, we are concerned with 1) coordinating local resources in an effort to develop and maintain an efficient and effective consumer education program, and 2) working cooperatively with the Federal and State governments to help achieve this goal.

In order to insure an effective consumer education program on the local level, USCM believes that five things must happen:

- A local office of consumer education must be under the jurisdiction of the mayor, if not located directly in his office
- There must be adequate funding available
- There must be one centralized clearinghouse to which cities and mayors have easy access for information and technical assistance
- The program content of a consumer education program must not be limited to one or two target groups. It must reach the entire citizenry in each city
- Federal and State legislation must recognize and sufficiently address the local need for effective consumer education efforts

Because the "Mayor" is a locally elected official accountable to his constituency, he is obligated to treat the "buyer" and the "seller" evenly. His credibility as a public official is based upon such behavior. The USCM strongly believes that a consumer education office must be linked with the mayor if it is to be

trusted--utilized to its optimal level. In this way, merchants will not feel as though they are being "harassed" by a law enforcement agency, and the consumers will know that their elected officials are looking out for their interests. Although this places the mayor in a rather tenuous position of appealing to everyone, he knows that he must act responsibly if he wants to achieve his consumer education objectives.

After meeting and visiting different mayors and cities, it is evident that the lack of available funds for consumer education has prevented the implementation of comprehensive programs. As one mayor said,

> The Federal government should take an active role as the innovator for city-wide consumer education projects. It should provide us with the incentives for demonstrating new and different ways of approaching this subject area.... Federal consumer education dollars can be given to the States on the condition that it be channeled to local governments. (Mayor John D. Krout's Statement--See Appendix B)

The distinction must be made between the desire and the ability to institute a comprehensive consumer education program. The desire is present; the ability is not. The State and Federal levels must be more sensitive to this need and 1) appropriate the level of funding needed; and 2) consolidate under one Federal "roof" all programs dealing with consumer education. USCM is aware that within the U.S. Office of Education, alone, there are several possible sources of consumer education funding, (i.e. 13.519, Vocational Education; 13.400, Adult Education-Grants to States; 13.480, School Library Resources, Textbooks, and Other Instructional Materials; 13.494, Vocational Education-Consumer and Homemaking; 13.519, Supplementary Education Centers and Services, Guidance, Counseling, and Testing; 13.522, Environmental Education; 13.557, University Community Service-Special Projects; 13.561, Education for the Use of the Metric System of Measurement; 13.403, Bilingual Education; 13.427, 13.33 and 35, Education for the Handicapped.*) These funding

* Numbers refer to listings in the Catalog of Federal Domestic Assistance. Individual programs are assigned the same numbers.

sources do not include that agency's Office of Consumer Education. In addition, there are other Federal agencies concerned with consumer education such as the Department of Agriculture's Cooperative Extension Service, the Administration on Aging in HEW, and the Community Services Administration.

The Department of Justice's Law Enforcement Assistance Administration is primarily concerned with consumer education as it pertains to law enforcement. If it is going to become involved in consumer education activities (as it has with the Denver District Attorney's Office's new consumer education library), then it must cooperate with the main federal agency responsible for a broad based consumer education program and inform cities of its interest. In sum, consumer education dollars and activities must be adequate, centralized, and evenly distributed.

It is obvious to USCM that there is a great need for a centralized consumer education clearinghouse specifically designed to meet city concerns. Presently, there is no one source that mayors and cities can turn to for consumer education information and/or technical assistance. Even the City of New Orleans which has an impressive (and worth duplicating) consumer education program expressed the desire to know about ongoing activities in other cities so that "we could teach, learn from, and work cooperatively with one another. Unfortunately, there is no central office which can provide us with this information." (Mayor Landrieu's Statement--See Appendix B) Success appears to be related, in part, to learning about what works in cities similar to their own. USCM urges the Office of Education to recognize this need and assist in the development of a national, centralized consumer education clearinghouse for cities. Broad-based consumer education must not be limited and narrowly structured to a formal school setting. The inculcation of knowledge has to take place everywhere. If provided with an adequate funding level, USCM would be eager to undertake this challenge.

In each of the four cities, the consumer education activities demonstrated creativity and innovation. However, local governments must be encouraged to make use of all the resources available to them. For example, New Orleans' joint program with the Drama Department of

The University of New Orleans is entertaining as well as educating the New Orleans populace. The TV skits catch the attention of their audiences and, as a consequence, reach a very wide sector of the population. The consumer education lecture series for the deaf is another impressive innovation currently underway in New Orleans. The Denver Commission on Community Relations' lecture series in the high-rise buildings housing elderly and low-income residents, demonstrates a concerted effort to make actual physical contact with the people they are trying to reach. Yakima's "Buyer Beware" column and York's HOT LINE are also impressive when one looks at the size and operating budgets of these programs. However, USCM is convinced that many more activities related to consumer education could be undertaken if proper incentives were provided.

Finally, State as well as Federal legislation must deal directly with the issue of consumer education, and not limit its scope of involvement to a "special projects" grant mechanism. At the same time, the Congress and the Executive Branch have to set priorities in the area of consumer education and grant it the attention it merits.

USCM realizes that the process for bringing to light a new priority is a slow one. However, the effort must begin at some point if a concerted consumer education program is to "take off" with the impetus required to reach a high cruising altitude of its own.

V. CONCLUSIONS

In light of the aforementioned findings and recommendations, the U.S. Conference of Mayors is convinced that the entire field of consumer education is one in which mayors and cities have direct roles. The Office of Education must recognize these roles and address them accordingly. Mayor Landrieu of New Orleans accurately pointed out that the cities' share of the FY 77 consumer education "po[illegible] was a mere $30,846.00 while the universities received $1,157,651.00. Hopefully, this report will testify to the need and serve as a guide to a more equitable distribution of consumer education funds.

The USCM plans to take an active role in helping the area of consumer education gain the recognition it warrants. Adequate funds for implementing and maintaining comprehensive consumer education programs in our cities, legislative provisions authorizing, protecting, and appropriating the dollars for these programs, and creating a national city-oriented consumer education clearinghouse, are of the utmost importance if we are to achieve a successful track record in this field.

USCM strongly urges concerned citizenry, Federal agency officials, elected officials, legislators, and other special and public interest groups to help promote the significance of consumer education and related activities.

APPENDIX A

The legislation below is an amendment to the original Elementary and Secondary Education Act, P.L. 89-10.

Its authorization levels for the three fiscal years, 1973, 1974, and 1975, were $20,000,000, $25,000,000, and $35,000,000 respectively.

No money was appropriated for any of those years.

Public Law 92-318
June 23, 1972

CONSUMERS' EDUCATION

Sec. 505. (a)(1) The Congress of the United States finds that there do not exist adequate resources for educating and informing consumers about their role as participants in the marketplace.

(2) It is the purpose of the amendment made by this section to encourage and support the development of new improved curricula to prepare consumers for participation in the marketplace to demonstrate the use of such curriculums in model educational programs and to evaluate the effectiveness thereof; to provide support for the initiation and maintenance of programs in consumer education at the elementary and secondary and higher education levels; to disseminate curricular materials and other information for use in educational programs throughout the Nation; to provide training programs for teachers, other educational personnel, public service personnel, and community and labor leaders and employees, and government employees at State, Federal, and local levels, to provide for the preparation and distribution of materials by mass media in dealing with consumer education.

(3) Title VIII of the Elementary and Secondary Education Act of 1965 is amended by adding at the end thereof the following new section:

"CONSUMERS' EDUCATION PROGRAMS

"Sec.811. (a) There shall be within the Office of Education, a Director of Consumers' Education (hereafter in this section referred to as the 'Director') who, subject the management of the Commissioner, shall have primary responsibility for carrying out the provisions of this section.

"(b)(1)(A) The Director shall carry out a program of making grants to, and contracts with, institutions of higher education, State and local educational agencies, and other public and private agencies, organizations, and institutions (including libraries) to support research, demonstration, and pilot projects designed to provide consumer education to the public except that no grant may be made other than to a non-profit agency, organization, or institution.

"(B) Funds appropriated for grants and contracts under this section shall be available for such activities as--

"(i) the development of curricula (including interdisciplinary curricula) in consumer education;

"(ii) dissemination of information relating to such curricula;

"(iii) in the case of grants to State and local educational agencies and institutions of higher education, for the support of education programs at the elementary and secondary and higher education levels; and

"(iv) preservice and inservice training programs and projects (including fellowship programs, institutes, workshops, symposiums, and seminars) for educational personnel to prepare them to teach in subject matter areas associated with consumer education.

In addition to the activities specified in the first sentence of this paragraph, such funds may be used for projects designed to demonstrate, test, and evaluate the effectiveness of any such activities, whether or not assisted under this section. Activities pursuant to this section shall provide bilingual assistance when appropriate.

"(C) Financial assistance under this subsection may be made available only upon application to the Director. Applications under this subsection shall be submitted at such time, in such form, and containing such information as the Director shall prescribe by regulation and shall be approved only if it--

"(i) provides that the activities and service for which assistance is sought will be administered by, or under the supervision of, the applicant;

"(ii) describes a program for carrying out one or more of the purposes set forth in the first sentence of paragraph (2) which holds promise of making a substantial contribution toward attaining the purposes of this section;

"(iii) sets forth such policies and procedures as will insure adequate evaluation of the activities intended to be carried out under the application;

"(iv) sets forth policies and procedures which assure that Federal funds made available under this section for any fiscal year will be so used as to supplement and, to the extent practical, increase the level of funds that would, in the absence of such Federal funds, be made available by the applicant for the purposes described in this section, and in no case supplant such funds;

"(v) provides for such fiscal control and fund accounting procedures as may be necessary to assure proper disbursement of an accounting for Federal funds paid to the applicant under this section; and

"(vi) provides for making an annual report and such other reports, in such form and containing such information, as the Commissioner may reasonably require and for keeping such records, and for affording such access thereof as the Commissioner may find necessary to assure the correctness and verification of such reports.

Applications from local educational agencies for financial assistance under this section may be approved by the Director only if the State educational agency has been notified of the application and been given the opportunity to offer recommendations.

"(2) Federal assistance to any program or project under this subsection, other than those involving curriculum development, dissemination of curricular materials, and evaluation, shall support up to 100 per centum of the cost of such program including costs of administration; contributions in kind are acceptable as local contributions to program costs.

"(c) Each recipient of Federal funds under this section shall make such reports and evaluations as the Commissioner shall prescribe by regulation.

"(d) There is authorized to be appropriated $20,000,000 for the fiscal year ending June 30, 1973; $25,000,000 for the fiscal year ending June 30, 1974; and $35,000,000 for the year ending June 30, 1975, for carrying out the purposes of this section.".

(b) The amendment made by this section shall be effective after June 30, 1972.

The Special Projects, P.L. 93-380, is the umbrella legislation which includes the Consumer Education Program, Section 811 of ESEA, among its seven special program categories.

Public Law 93-380

SPECIAL PROJECTS ACT

AN ACT to authorize special projects, surveys, and studies by the Office of Education

PURPOSE

SEC. 2. It is the purpose of this Act to authorize the Commissioner of Education (hereinafter referred to as the "Commissioner") to carry out special projects—

(1) to experiment with new educational and administrative methods, techniques, and practices;

(2) to meet special or unique educational needs or problems; and

(3) to place special emphasis on national education priorities.

(20 U.S.C. 1851) Enacted August 21, 1974, P.L. 93-380, sec. 402(a)(1), 88 Stat. 544.

CONTRACTING AUTHORITY

SEC. 3. (a) The Commissioner is authorized, during the period beginning July 1, 1975, and ending June 30, 1978, to make contracts with public and private agencies, organizations, associations, institutions, and with individuals in order to carry out the purposes of this Act as set forth in section 2.

(b) In exercising his authority under this section, the Commissioner shall comply with such priorities and preferences as may be expressly provided by law, with respect to this section.

(20 U.S.C. 1852) Enacted August 21, 1974, P.L. 93-380, sec. 402(a)(1), 88 Stat. 544, 545.

APPROPRIATIONS

SEC. 4. (a)(1) In order to enable the Commissioner to make contracts under section 3, there is authorized, subject to subsection (b), to be appropriated to the Office of Education $200,000,000 for the fiscal year ending June 30, 1976, and each of the two succeeding fiscal years.

(2) Sums appropriated pursuant to paragraph (1) shall, notwithstanding any other provisions of law, unless enacted in express limitation of this paragraph, remain available until expended.

(b)(1) Not later than February 1 of each year, the Commissioner shall submit to the Committee on Education and Labor of the House of Representatives and the Committee on Labor and Public Welfare of the Senate a plan in accordance with which the Commissioner has determined to expend funds to be appropriated for the succeeding fiscal year. Such plan shall be accompanied by a report describing each contract made during the calendar year preceding that fiscal year under the authority of this Act involving an expenditure in excess of $100,000.

(2)(A) The funds appropriated pursuant to subsection (a), for any fiscal year shall be expended in accordance with the plan submitted for that year pursuant to paragraph (1), unless prior to sixty days after the submission of such plan, either the Committee on Education and Labor of the House of Representatives or the Committee on Labor and Public Welfare of the Senate adopts a resolution disapproving such plan.

(B) If either or both such committees adopts a resolution of disapproval as provided in subparagraph (A), the Commissioner shall, not later than fifteen days after the adoption of any such resolution, submit a new plan in accordance with paragraph (1) and subparagraph (A).

(20 U.S.C. 1853) Enacted August 21, 1974, P.L. 93-380, sec. 402(a)(1), 88 Stat. 545.

Provisions of P.L. 93-380 which relate to the Special Projects Act. (Section numbers are sections of P.L. 93-380.)

SEC. 402. * * *

(a) * * *

(b)(1) In carrying out his functions under section 3 of the Special Projects Act, the Commissioner shall reserve not less than 50 per centum of the sums appropriated pursuant to section 4 of such Act for the purposes given preference under paragraph (3) of this subsection and apportioned in accordance with paragraph (2) of this subsection. With respect to the funds to which this paragraph applies, the Commissioner's authority under such section 3 shall include authority to make grants as well as contracts.

(2) Except as is otherwise provided with respect to section 409, the Commissioner shall apportion an amount for each of the purposes set forth in paragraph (3) which bears the same ratio to the sums reserved pursuant to paragraph (1) as the amount permitted to be expended for each such purpose bears to the aggregate of the amounts permitted to be expended for all such purposes.

(3) The sums reserved pursuant to paragraph (1) shall be expended for programs otherwise authorized by an applicable statute and described in the following subparagraphs:

Education for the Use of the Metric System of Measurement

(A) A program to encourage educational agencies and institutions to prepare students to use the metric system of measurement, as provided in section 403.

Gifted and Talented Children

(B) A program for the education of gifted and talented children through grants to the States for such purpose, as provided in section 404 (except subsection (f) thereof).

Community Schools

(C) A program of grants to local educational agencies to assist them in planning, establishing, expanding, and operating community education programs, as provided in section 405.

Career Education

(D) A program to assess, and to encourage establishment and operation of, career education programs, as provided in section 406.

Consumers' Education

(E) A program of grants and contracts designed to provide consumer education to the public, as provided in section 811 of the Elementary and Secondary Education Act of 1965.

Women's Equity in Education

(F) A program of grants and contracts designed to provide educational equity for women in the United States, as provided in section 408.

Arts in Education Programs

(G) A program of grants and contracts designed to assist and encourage the use of the arts in elementary and secondary school programs as provided in section 409.

(4) No appropriation may be made for any fiscal year for the purposes of section 811 of the Elementary and Secondary Education Act of 1965 or sections 403, 404, 405, 406, 408, and 409 of this Act during which funds are available for the purposes of such sections under the provisions of this subsection.

(c)(1) The amendments made by subsection (a) and the provisions of subsection (b) shall be effective on and after July 1, 1975.

(2) Effective July 1, 1975, title III of the Elementary and Secondary Education Act of 1965 is amended—

(i) by striking out section 305(d);
(ii) by striking out section 306; and
(iii) by striking out section 307(c).

(3) Effective July 1, 1975, section 809 of the Elementary and Secondary Education Act of 1965, is repealed.

(20 U.S.C. 1851) Enacted August 21, 1974, P.L. 93-380, sec. 402, 88 Stat. 544, 546.

The enabling legislation for the existing Office of Consumers' Education program is a component of the Special Projects Act, P.L. 93-380. It is essentially the same as that passed in 1972, P.L. 92-318, for which funds were never appropriated.

The new authorization level is $15,000,000 for each of the three fiscal years, 1976-1978. The appropriations for each of those years was $3,135,000.

Public Law 93-380

CONSUMERS' EDUCATION PROGRAMS [1]

SEC. 811. (a)(1) There shall be within the Office of Education an Office of Consumers' Education (hereafter in this section referred to as the 'Office') which shall be headed by a Director of Consumers' Education (hereafter in this section referred to as the 'Director') who, subject to the management of the Commissioner, shall have responsibility for carrying out the provisions of this section.

(2) The Director shall be appointed by the Commissioner in accordance with the provisions of title 5 of the United States Code relating to appointments to the competitive service.

(b)(1)(A) The Director shall carry out a program of making grants to, and contracts with, institutions of higher education, State and local educational agencies, and other public and private agencies, organizations, and institutions (including libraries) to support research, demonstration, and pilot projects designed to provide consumer education to the public except that no grant may be made other than to a nonprofit agency, organization, or institution.

(B) Funds appropriated for grants and contracts under this section shall be available for such activities as—

[1] Note: Sec. 505(a)(1) and (2) of P.L. 92-318 read as follows:

"SEC. 505(a)(1) The Congress of the United States finds that there do not exist adequate resources for educating and informing consumers about their role as participants in the marketplace.

"(2) It is the purpose of the amendment made by this section to encourage and support the development of new improved curricula to prepare consumers for participation in the marketplace, to demonstrate the use of such curriculums in model educational programs and to evaluate the effectiveness thereof; to provide support for the initiation and maintenance of programs in consumer education at the elementary and secondary and higher education levels; the disseminate curricular materials and other information for use in educational programs throughout the Nation; to provide training programs for teachers, other educational personnel, public service personnel, and community and labor leaders and employees, and government employees at State, Federal, and local levels; to provide for Community Consumer education programs; and to provide for the preparation and distribution of materials by mass media in dealing with consumer education."

(i) the development of curricula (including interdisciplinary curricula) in consumer education;

(ii) dissemination of information relating to such curricula;

(iii) in the case of grants to State and local educational agencies and institutions of higher education, for the support of education programs at the elementary and secondary and higher education levels; and

(iv) preservice and inservice training programs and projects (including fellowship programs, institutes, workshops, symposiums, and seminars) for educational personnel to prepare them to teach in subject matter areas associated with consumer education.

In addition to the activities specified in the first sentence of this paragraph, such funds may be used for projects designed to demonstrate, test, and evaluate the effectiveness of any such activities, whether or not assisted under this section. Activities pursuant to this section shall provide bilingual assistance when appropriate.

(C) Financial assistance under this subsection may be made available only upon application to the Director. Applications under this subsection shall be submitted at such time, in such form, and containing such information as the Director shall prescribe by regulation and shall be approved only if it—

(i) provides that the activities and service for which assistance is sought will be administered by, or under the supervision of, the applicant;

(ii) describes a program for carrying out one or more of the purposes set forth in the first sentence of subparagraph (B) which holds promise of making a substantial contribution toward attaining the purposes of this section;

(iii) sets forth such policies and procedures as will insure adequate evaluation of the activities intended to be carried out under the application;

(iv) sets forth policies and procedures which assure that Federal funds made available under this section for any fiscal year will be so used as to supplement and, to the extent practical increase the level of funds that would, in the absence of such Federal funds, be made available by the applicant for the purposes described in this section, and in no case supplant such funds;

(v) provides for such fiscal control and fund accounting procedures as may be necessary to assure proper disbursement of an accounting for Federal funds paid to the applicant under this section; and

(vi) provides for making an annual report and such other reports, in such form and containing such information, as the Commissioner may reasonably require and for keeping such records, and for affording such access thereto as the Commissioner may find necessary to assure the correctness and verification of such reports.

Applications from local educational agencies for financial assistance under this section may be approved by the Director only if the State educational agency has been notified of the application and been given the opportunity to offer recommendations.

(2) Federal assistance to any program or project under this subsection, other than those involving curriculum development, dissemina-

tion of curricular materials, and evaluation, shall support up to 100 per centum of the cost of such program including costs of administration; contributions in kind are acceptable as local contributions to program costs.

(c) Each recipient of Federal funds under this section shall make such reports and evaluations as the Commissioner shall prescribe by regulation.

(d) For the purpose of carrying out this section, the Commissioner is authorized to expend not to exceed $15,000,000 for each fiscal year ending prior to July 1, 1978.[1]

(20 U.S.C. 887d) Enacted June 23, 1972, P.L. 92-318, sec. 505(a), 86 Stat. 349, 350; amended August 21, 1974, P.L. 93-380, sec. 407, 88 Stat. 553.

OPEN MEETINGS OF EDUCATIONAL AGENCIES

SEC. 812. No application for assistance under this Act may be considered unless the local educational agency making such application certifies to the Commissioner that members of the public have been afforded the opportunity upon reasonable notice to testify or otherwise comment regarding the subject matter of the application. The Commissioner is authorized and directed to establish such regulations as necessary to implement this section.

(20 U.S.C. 887e) Enacted August 21, 1974, P.L. 93-380, sec. 110, 88 Stat. 513.

APPENDIX B

STATEMENT BY MAYOR JOHN D. KROUT, YORK, PENNSYLVANIA

We are all "consumers" spending part of each day buying, using, even discarding goods in one form or another. And this role as a consumer is not new to us. In fact, we can trace consumer concerns as far back as Roman civilization. The familiar term, "caveat emptor" is testimony that our Roman forbears were aware of the many difficulties faced by consumers. As a locally elected official accountable to my constituency, I believe it is my responsibility not only to protect the people in the City of York, Pa., but also, to help them protect themselves. Ideally, if we could attack consumer fraud before it causes damage, we could effectively give our citizens the protection they really need instead of merely responding to their complaints after the fact. Preventive measures must be taken if we are to lessen the incidents of consumer finagling.

In the minds of my constituents, I am accountable for assuring their well-being--and justifiably so. As mayor, it is my responsibility to make sure that as consumers, York residents are well protected. This is a responsibility I assume eagerly. But if I am to accomplish this goal, I will need assistance from as many resources as are available.

In the early 1900's Dr. Wiley, a chemist with the U.S. Department of Agriculture, headed a "poison squad" responsible for investigating food content. When a toxic particle was discovered, Dr. Wiley would immediately contact the press and publicize his findings. In effect, Dr. Wiley was educating the general public by warning, and perhaps, even alarming them. I do not believe we have to go to such extremes, but I do feel that we, as elected officials, must take a lead role in assisting the public. It would be idealistic to believe that everyone is honest. We must take a realistic approach in dealing with "consumer rip-offs" and do the best we can. In York, Pa., we are not as involved in consumer education as much as we would like to be. This is due in part to jurisdictional boundaries, and, in part, to a lack of funds.

York is a small city of only 5 1/2 square miles with a population of 50,000. A York resident can cross the street and be in a township which does not pay taxes to

the city. If the city was to have an office or an extensive program of consumer education, it would, in all likelihood, be serving not only its residents, but also those municipalities which would not be helping to fund it. Such a program could not survive if the city had to assume the total fiscal responsibility for this activity.

I can see two possible ways of solving this dilemma. First, it might be possible for the city and county to implement a joint program whereby different tasks are assumed by each governmental unit. Perhaps the county could be responsible for instituting classroom programs in our schools, recreation centers, and senior citizen homes, etc. In conjunction with this facet, the city could act as an information source providing pamphlets, leaflets, press releases, and public service announcements. We could hold town meetings in an effort to discuss individual and/or group consumer concerns. Also, we could expand our already existing hot-line and act not only as a referral mechanism, but also as a source for general and specific consumer questions and interests.

A second, but more controversial, approach for meeting the legitimate needs of our citizens would be to obtain 100% funding from a level of government other than the City. I believe that the Federal government should take an active role as the facilitator of city-wide consumer education projects. It should provide us with the incentives for demonstrating new and different ways of approaching this subject area. On the other hand, I believe that the state should be in a position to assist and direct us in the overall operation of a comprehensive consumer awareness effort. Federal consumer education dollars can be given to the states on the condition that it be channeled to local government. This could be handled in much the same way the Department of Justice administers the Law Enforcement Assistance Administration funds. If such a funding mechanism could be accomplished, the city would employ the personnel and develop the capacity required to implement a successful consumer education program.

However, this should not preclude the state from furnishing the dollars itself. In fact, if the Federal government could insure state channeled seed money, perhaps states could commit themselves to be responsible for covering continued operational costs for those programs which have proven successful.

We must educate our citizens and encourage them to educate one another. But, in order to accomplish this goal, we must be able to turn to a central source for information. To my knowledge there is no overall clearinghouse for cities. It would seem to me that a likely candidate for a consumer education clearinghouse would be the National League of Cities/U.S. Conference of Mayors--the national action arm of our nation's cities and major city mayors. We could then turn to our own organization for the needed information and help. NLC/USCM focuses on improving the quality of life for the people who live in our cities. I am confident that they would be able to make appropriate recommendations about local consumer education needs to both the legislative and executive branches, and be better equipped to deal with our consumer education problems than any other special interest or public interest organization.

Unfortunately, consumer education is an area which has not received the attention it warrants or merits and because of this, the city's efforts designed to educate consumers have suffered. If we were to 1) receive adequate funding to enable us to implement a program, and 2) have a central information source, our cities would be well on their way to improving conditions under which we, as consumers, must function.

Consumer education is a very real need if we are to protect our citizens. We have a responsibility to prepare young adults for assuming roles of leadership and responsibility, and to protect our senior citizens who once prepared us for our present roles. A comprehensive consumer education program would greatly assist us in accomplishing this task. But we cannot do it alone. The economy of many of our cities are in desperate straits. Federal and State governments must recognize our need to provide consumer education, and equally important, our need for assistance in implementing such a program. It is my hope that both Congress and the Administration will recognize this need, and fill this gap and provide its people with the means to function adequately in this ever changing society.

STATEMENT BY MAYOR MOON LANDRIEU, NEW ORLEANS, LA.

Mayors have an overriding interest in the well-being of their citizenry. As elected officials, we have a responsibility both to make laws and abide by them. Just as lawyers regulate lawyers, and doctors regulate doctors, there must be a concerted effort for government to, if not regulate, at least keep professional and commercial organizations sensitive to the public which they serve. It is also our responsibility to insure that our citizens have access to and avail themselves of the best possible consumer education program. As an elected official, I am accountable to my constituents. I have an obligation to the people I represent--in their roles as consumers and in their roles as merchants. That is why the proper location for such a program is in the Mayor's office. It gives such an effort community-wide credibility and assures fair treatment for all involved.

Ideally, people should act responsibly in economic matters that touch their lives. However, all too often we find there are citizens who do not understand the complexities of our economic system, and who do not know how to protect themselves against misrepresentation and outright fraud. As a consequence, both the consumer and the entire community are victimized--the consumer from the standpoint of having been cheated, and the city because its reputation for protecting its people is questioned.

For example:

....An elderly homeowner signs a home repair contract at exorbitant interest rates and loses her home when she is unable to make the monthly payments.

....A young man, just out of school with his first job, purchases an "as is" used car for transportation to the job only to have the car break down within a week.

....A disabled breadwinner purchases additional health insurance out of his meager benefit check only to find his claims refused because the coverage he has purchased duplicates Medicaid benefits.

These are dramatic examples where one incident can push the consumer from financial self-sufficiency to public

assistance. But the cumulative effect of many less dramatic incidents of unwise consumer decisions can be just as devastating to the individual consumer. It can place him in need of more extensive services from local government, and reduce his contribution to the economic well-being of the community.

We must apply ourselves to the business of teaching people to use our economic system to satisfy their needs. The survival of the individual and survival of the family as self-sufficient economic units is the cornerstone of the survival of our cities. With a foundation of economic self-sufficiency and the knowledge of how to use it, cities will consist of a population better able to make prudent economic decisions.

President John F. Kennedy's "Four rights" statement best describes what we, as elected officials, must insure for our constituency. Every person has a right to 1) health/safety; 2) have the opportunity of being heard; 3) be in a position to choose; and 4) know--to be kept informed. Each of these rights is directly linked to our activities as consumers, and we must have available to us the resources needed to make these wise and careful decisions.

Certainly, the system itself will benefit from improved consumer education. The gyp artist, the fly-by-night contractor, the merchandiser of shoddy goods--all thrive on ignorance at the expense of the consumer and the responsible business community.

It is at the local level that these problems can be dealt with most efficiently and effectively. Unfortunately, the primary deterrent for adequately dealing with them is a lack of funds. Consumer education must be recognized as a priority need and dealt with accordingly. The present system of allocating funds for consumer education does not serve the needs of the cities:

....Funds for this purpose are frequently allocated to specific groups thereby providing limited service. An example is the allocation of consumer education for use only in housing projects. Neighborhoods surrounding housing projects are usually poverty neighborhoods. These programs should be available to them also, but the rules governing the expenditure of funds prohibit this.

....Consumer education programs authorized by the Congress either remain unfunded or are funded well below the authorized levels year after year. This is due in part to the fact that consumer education is just one small component of an overall education package.

....Under present legislation there is little consumer education money for which cities can compete. Those in charge of allocating these limited funds are not sensitive to overall urban needs. For example, the 1976 "pot" of $3.1 million distributed through the Office of Education was split among city agencies, universities, research organizations, labor unions, district attorney offices, school systems, poverty agencies and Indian tribes.* The City share in this "pot" was a mere $30,846.00 for a single project in Long Beach, California. The University share was $1,157,651.00.

....The single adequately funded consumer education program in cities is the consumer and homemaking education program administered through Vocational Home Economics Departments of high schools. This is an elective subject in high schools and teaches mostly middle income female students. This program is authorized to receive $55 million in 1978, increasing annually to $80 million in 1982.

The State and Federal levels must recognize the importance of implementing a comprehensive consumer education program in cities and at the same time be aware of fiscal pressures facing local units of government. One merely has to examine the New York City incident to realize that cities all across this country are in no position to include additional servicing costs to their budgets. I am well aware that the task of loosening up funds for consumer education needs is not easy. However, it is a vital task if we are to operate successful consumer programs.

* Author's Note: According to the enabling legislation, the following applicants are eligible to compete for awards under the Consumers' Education Program: local education agencies, State departments of education, institutions of higher education, and public and private non-profit agencies.

Another major concern, and one directly linked to the funding problem, is the lack of one central resource center. It would be extremely helpful to know about the different consumer activities going on in other parts of the country. We could teach, learn from, and work cooperatively with one another. Unfortunately, there is no central office which can provide us with this information. I strongly recommend that the National League of Cities/ U.S. Conference of Mayors take the lead role and function as our consumer information clearinghouse--a place we can go to for assistance when dealing with city-oriented consumer education problems. NLC/USCM is our representative body. It works with the Congress in assuring that our many diverse needs are addressed and met. Consumer needs have been ignored too long. We must have a body which will thoroughly understand, express, and bring to light in a cohesive manner those consumer problems particular to our cities. The National League of Cities/ U.S. Conference of Mayors is, in my opinion the most viable organization to assume this responsibility.

In the dawn of the new Administration, I am optimistic that our voices will be heard, and our recommendations considered. Our President has already designated consumer affairs as a priority area. There can be no more important goal to achieve than a national policy on consumer rights. This is, indeed, an area "whose time has come", and where government at all levels must respond.

APPENDIX C

MAYORS LEADERSHIP CONFERENCE

During the Mayors Leadership Institute Seminar in New Orleans (December 13-15, 1976), twenty-two Mayors were asked to respond to the U.S. Conference of Mayors questionnaire and discuss with us their perceptions and feelings about the city's role in consumer education. More than half of those who responded believed that a consumer education program should have a significant place in the Mayor's office. Surprisingly, though, 90% did not have such an office at the present time--the main reason being a lack of funds and staff.

When questioned about funding sources, there was a general consensus that each of the three levels should be active participants with the State's main function being legislative. The majority thought that a consumer program should target its efforts on the handicapped, ethnic groups, and the elderly, in that order.

As a result of this survey, USCM concludes that the city's role in consumer education is apparent and long overdue. What needs to be done now is to find ways to aid in its development.